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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)

Simplification of the)
Depreciation Prescription)
Process)

CC Docket No. 92-296

COMMENTS OF THE CALIFORNIA CABLE TELEVISION ASSOCIATION

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March 10, 1993

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SUMMARY

The California Cable Television Association (CCTA) began researching and drafting its Comments in this docket with the tentative conclusion that it would recommend one of the Commission's proposed Options. However, the results of a study by CCTA's independent consultants of the last five years, 1987 to 1991, of records on file with this Commission for telephone companies representing a cross section of the United States mandate the conclusions that:

1. The two goals of modernizing this country's communications infrastructure and the timely recovery of capital through depreciation are not interdependent, should not be mixed, and the FCC's current depreciation policies should not be abandoned under the guise of furthering network investment.

The study undertaken by CCTA's consultants of the levels of Depreciation Expense and Plant Additions to the telephone network from 1987 to 1991 demonstrates that in 30 of 32 comparisons depreciation expense exceeded net additions to the telephone network by 1.1 to 6.23 times, and increased depreciation expense did not translate into increased investment in the telephone network. (See Table 1).

2. The negative consequences of "simplifying" the depreciation process far outweigh any perceived benefits because, based upon the study data, each of the Commission's four proposed options is fatally flawed and will not result in the

quantification of depreciation levels reflective of an individual company's true cost recovery patterns. No amount of expediency justifies sacrificing an accurate quantification of depreciation expense when it is the largest single expense of the LECs and has averaged over 25% of Operating Expenses over the last five years.

The Basic Factor Range Option (Option I), the Depreciation Range of Rate Option (Option II) and the Depreciation Schedule Option (Option III), are all fatally flawed because the Options are primarily predicated on using a homogenized "average," which the study data in Tables II and III demonstrate is completely untenable given the very wide variances that currently exist in depreciation parameters (Options I and III) and depreciation rates (Option II).

The Price Cap Option (Option IV) is fatally flawed and should be summarily rejected because it does not require any supporting data to be filed and cedes to the telephone companies this Commission's statutory obligation under Section 220 of the Communications Act to prescribe "...the percentages of depreciation which shall be charged with respect to each of such classes of property."

3. The differences in depreciation parameters and rates between the studied LECs is so stark that adopting any of the proposed options would be an abdication of the FCC's statutory obligation to review and set depreciation policies and schedules.

4. If declining FCC resources in the face of expanding responsibility is one of the key factors propelling the need to

simplify the depreciation process, the Commission should consider alternatives that would not abdicate its statutory responsibility or put ratepayers at risk in reviewing this largest of LEC expenses. One such alternative that would reduce the Commission's scheduled annual depreciation workload is to expand the review process to every 4 years instead of every 3 years, while permitting the LECs to request a technical update for any significant interim changes.

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INTRODUCTION

The California Cable Television Association (CCTA) is a trade association representing cable television system operators that provide cable television service to over 5.9 million California households. CCTA has previously participated both formally and informally before this Commission on depreciation issues in, for example, the Video Dial Tone proceeding^{1/} and Pacific Bell Telephone Company's (Pacific Bell) 1991 Rate Represcription Request.

CCTA's original intent in determining to file comments is this docket was to recommend one of the Commission's proposed options as the preferred result if any change to the current depreciation procedure was going to be made by the FCC. However, the results of a study commissioned by CCTA of the last five years, 1987-1991, of records on file with the FCC for companies representing a cross-section of U.S. telephone companies mandates

^{1/} See Reply Comments of California Cable Television Association, CC Docket No 87-226, March 5, 1992.

that CCTA urge the Commission: (1) not to mix issues of depreciation and infrastructure, (2) to reject its proposed four options as fatally flawed, and (3) to consider alternatives that can help manage the Commission's workload while preserving the integrity of the current depreciation process and protecting telephone ratepayers from potential abuse.

- I. **THE TELEPHONE COMPANIES' OWN RECORDS ON FILE WITH THE COMMISSION AFFIRMATIVELY DEMONSTRATE THAT THE TWO GOALS OF MODERNIZING THIS COUNTRY'S COMMUNICATIONS INFRASTRUCTURE AND THE TIMELY RECOVERY OF CAPITAL THROUGH DEPRECIATION ARE NOT INTERDEPENDENT, SHOULD NOT BE MIXED, AND THE COMMISSION'S CURRENT DEPRECIATION POLICIES SHOULD NOT BE ABANDONED UNDER THE GUISE OF FURTHERING NETWORK INVESTMENT.**

The FCC has provided strong leadership the last few years in fueling the debate on modernizing the United State's communications infrastructure. CCTA supports and agrees with the need to build demand-based economic upgrades to provide new communication services. CCTA's members are currently upgrading their own networks using the full range of leading edge technologies.^{2/}

^{2/}See e.g. Multichannel News, February 3, 1993, page 1 for a report on Time Warner's Orlando Template for Network Expansion; and Communications Technology, January, 1993, reporting on Cable's New Fiber Ring and Regional Hub Architectures. In fact, the Cable Television Industry currently has a broadband communications network in front of about 95% of American homes and a broadband line into about 60% of them. As the Cable Industry's modernization goes forward, the ability to provide new and different services will only be limited by regulatory restraints, the imagination of the developers, and the ability to find or create the demand so that there is an economic base and justification for the introduction of any new service.

This Commission has also worked hard over the years to establish depreciation policies and procedures to properly time the recovery of invested capital. Recently, the Commission has begun to suggest that there might be a nexus between the modernization of the communications infrastructure and depreciation policy.^{3/}

This suggestion has also been heavily promoted by the telephone companies during the past few years, not only at this Commission, but also before Congress and at state PUCs throughout the United States. A key element in the telephone companies lobbying program are unsupported assertions that depreciation should be accelerated as an incentive to their further investment in network modernization.^{4/}

The proposition that there is a concrete basis for assuming a nexus between increased depreciation expense and increased

^{3/} In its Video Dialtone Docket, CC Docket No. 87-266, the Commission stated:

...some argue that our depreciation policies create little incentive for local telephone companies to retire existing copper plant and switches and to replace those facilities with fiber optic cable. Without such a fiber base, they contend we will never have a broadband "highway to the home" and Americans will suffer as we lag behind other nations...

Further Notice of Proposed Rulemaking, First Report and Order and Second Further Notice of Inquiry, 7 FCC Rcd 329 (Nov. 22, 1991).

^{4/} See, e.g., Comments of Pacific Bell in FCC Video Dialtone Docket, CC Docket No. 87-266, at 12 (February 3, 1992).

investment is patently false. A May, 1991 letter from the FCC's Staff, in connection with the Staff's analysis of Pacific Bell's 1991 depreciation filing, noted that:

...Over the past decade while depreciation expenses have increased, annual construction expenditure have declined. In 1990, the total construction expenditures for the RBOCs was approximately 10% less than they were in 1989...^{5/}

This attempted mixture of what should be two distinct policies is also undercut by the depreciation and investment records of the telephone companies on file with this Commission. In an effort to explore any plausible "cause and effect" between liberalized depreciation and network investment, CCTA engaged an independent outside regulatory consulting firm, SMITH*BRIGHT*ASSOCIATES, with over three decades of utility experience including substantial state regulatory experience,^{6/} to perform an analysis utilizing telephone company data as filed with the FCC. Data was analyzed for the levels of Depreciation Expenses and Plant Additions to the telephone network covering the last five year period, from 1987-1991, for nine representative entities randomly selected to provide a cross

^{5/} Additionally, the FCC staff noted that Pacific Bell's annual investment decreased by 30% between 1980 and 1990 despite being granted increases in depreciation. Pacific Bell's decreased investment was triple the RBOC average decline of 10%.

^{6/} Principals of the firm are Yvette Smiley Smith, CPA, former Technical Staff Director, of the Alabama PSC Ratemaking Staff and Staff Director, Governor's Public Staff for Utility Consumer Protection and Nancy Bright, CPA, former Director of Accounting, Public Staff of North Carolina Utilities Commission.

section of the country.^{7/} The resulting analysis is depicted in Table I, and demonstrates that:

1. In 30 of the 32 comparisons (i.e. 94% of the time), depreciation expense exceeds net additions to the network; in fact, in those instances depreciation expense exceeded net additions by a range of 1.1 times to 6.23 times. These ratios indicate that increases in depreciation significantly outpaced increases in telephone network investment.
2. Increased depreciation expense does not translate into increased investment in the telephone network. In 40% of the instances noted, depreciation expense increased or stayed relatively constant, but net additions to the telephone network decreased. For example:
 - (a) Despite stable to increasing levels of depreciation expense for New York Telephone over the period, net additions were on the decline. Depreciation expense was \$1.4 billion in 1988 and \$1.3 billion in 1991, but net additions to the telephone network plummeted from \$863 million in 1988 to \$396 million in 1991.

^{7/}The sample consisted of:

Chesapeake and Potomac-Md, Mountain States Telephone, New York Telephone, Northwestern Bell, Ohio Bell Telephone, Pacific Bell, South Central Bell, Southern Bell, Southwestern Bell Telephone.

- (b) Southern Bell's depreciation was relatively stable at \$1.5 billion in 1988 and 1991; but net additions to the telephone network which were at \$1.5 billion in 1988 fell by almost half to \$832 million in 1991.
- (c) Pacific Bell's depreciation expense declined somewhat over the period from approximately \$1.8 billion to \$1.6 billion; net additions, however, declined sharply from \$850 million in 1988 to a negative (\$618) million in 1991.
- (d) Northwestern Bell's depreciation registered some \$520 million in 1988 and \$512 million in 1990; but net additions to the telephone network dropped off substantially from \$344 million to a negative (\$202) million.

3. No entity studied evidenced a consistent linkage between increased depreciation and increased investment in the telephone network. For example:

- (a) In Chesapeake and Potomac-Maryland (C&P of Md), depreciation expenses increased from 1988 to 1989, but net additions decreased. From 1989 to 1990, however, the opposite was true: depreciation expense decreased but net additions increased.
- (b) For Southern Bell for three of the four years depreciation expense increased but net additions

declined; in the four years, however, depreciation decreased and net additions increased.

- (c) For the four years for which Ohio Bell data was available for the study period, in one of the three years depreciation expense decreased, but investment increased; in another year depreciation and investment increased; and in the third year depreciation increased but investment decreased.

The clear message of this analysis is that increased depreciation expenses do not equal increased investment in the telephone network. Further, the ratio of Depreciation Expense to Net Additions in most instances, even under the current regulatory policy, is very healthy from the telephone companies point of view. Indeed, the ratios clearly indicate that allowable depreciation expenses for telephone companies are increasing at a robust rate that outpaces investment increases in the telephone network. This suggests that the telephone companies are currently investing only a fractional portion of the Depreciation Expenses they presently recover from the ratepayers into network modernization.

There are no perceivable trends based on this data to suggest that Depreciation Expense increases have been or will be a catalyst for additional network investment. CCTA therefore urges the Commission to maintain the separation between the two

goals of infrastructure modernization and an appropriate depreciation policy. Current depreciation policies should not be abandoned under the guise of furthering network investment. To mix these two issues, given the study data in the FCC's own files, would be an abdication of the Commission's fundamental statutory obligations, while affording no public interest benefit whatsoever, but solely a private gain to the telephone companies.

II. THE NEGATIVE CONSEQUENCES OF "SIMPLIFYING" THE DEPRECIATION PROCESS FAR OUTWEIGH ANY PERCEIVED BENEFITS BECAUSE, BASED UPON THE STUDY DATA, EACH OF THE COMMISSION'S PROPOSED OPTIONS IS FATALY FLAWED AND WILL NOT RESULT IN THE QUANTIFICATION OF DEPRECIATION LEVELS REFLECTING AN INDIVIDUAL COMPANY'S TRUE COST RECOVERY PATTERNS.

A. NO AMOUNT OF EXPEDIENCY JUSTIFIES SACRIFICING AN ACCURATE QUANTIFICATION OF DEPRECIATION EXPENSE WHEN IT IS THE LARGEST SINGLE EXPENSE OF THE LECs AND HAS AVERAGED OVER 25% OF OPERATING EXPENSES OVER THE LAST 5 YEARS.

The Commission's Notice of Proposed Rulemaking highlights the "need for simplification" of the depreciation rescription process and the FCC's changed regulatory price caps scheme as two of the basic considerations prompting this investigation.^{8/}

The Commission cited, in support of the "need to simplify" the process, the amount of detail necessary to process

^{8/} To the extent that the FCC's desire to provide incentives for the creation of the "ideal infrastructure" is also a motivation for this proceeding, CCTA has addressed that issue above in Part I of these Comments.

depreciation represcriptions under the current procedures, correctly noting that the material provided is voluminous and requires detailed study and analysis. But in the same section that the Commission discusses the volume of data and detailed analyses necessary to derive depreciation rates, it also supplies the answer to why this level of detail is needed; namely, that all the basic factors that comprise the variables for the depreciation formula are the product of "estimates" and as such they must be thoroughly analyzed prior to a determination as to their quantification for the result to be accurate.

In disciplines that are more "art" than "science", detailed analyses and ample document support are often "necessary evils." CCTA submits that depreciation is just such a discipline. Its determination is the product of expert judgment and historical experience within formulaic parameters. There simply is not a "quick fix" alternative suitable for quantifying depreciation expense given its magnitude and weighty impact on a telephone company's operations.

Depreciation is the largest expense category incurred by a telephone company. For all LECs Reporting to the FCC, Depreciation Expense accounted for more than 25 percent of the

Operating Expenses in each of the last five years.^{9/} Given the huge impact depreciation has on each company and ultimately on each ratepayer, CCTA submits the accurate quantification and development of depreciation rates should not be sacrificed for the sake of expediency or administrative ease. The U.S. ratepayer deserves no less review than the FCC is now providing, and ideally should have even greater scrutiny.

B. PRICE CAP REGULATION IS NOT AN IMPENETRABLE PROTECTION FOR RATEPAYERS AND CANNOT BE USED TO JUSTIFY ABDICATION OF THE FCC'S RESPONSIBILITY FOR DEPRECIATION REGULATION.

The Commission also cited its own changed regulatory scheme (e.g. "price caps")^{10/} as another key factor prompting its consideration of modifying the depreciation process. However, the current price cap scheme is not by any means an impregnable bar to LEC abuse of ratepayers and the public interest. This is because:

^{9/} <SOURCE: FCC "Statistics of Communications Common Carriers">

Depreciation as a percentage of Operating Expenses:

1987 - 32%
1988 - 29%
1989 - 28%
1990 - 28%
1991 - 26%

^{10/}The Commission at paragraph 8 of the NPRM states:
"Our price cap plan encourages carrier efficiency without allowing them to pass depreciation expense changes onto ratepayers. Thus the scrutiny necessary under rate of return base regulation may be relaxed under price cap regulation."

1. Excessive depreciation rates will affect earnings and thus impact the sharing mechanism, which is intended to provide public interest safeguards to the price cap mechanism, particularly since depreciation expense averaged at least 25% of the operating expenses of telephone companies reporting to the FCC in each of the last five years;^{11/}
2. Improperly determined depreciation rates could reflect unreliable operating results, rendering it difficult, if not impossible, to properly evaluate the company from a financial and ratemaking perspective; and
3. Improperly determined depreciation rates could propel apparent telephone company earnings downward to such an extent that a revisiting by the FCC or even a proposed abandonment of the price cap scheme might be prematurely indicated. If such an event were to occur telephone ratepayers would not only have lost potential sharing, but would also be faced with a return to rate-of-return regulation where their rates would directly reflect depreciation increases.

^{11/} See Fn. 9, supra.

Thus, because depreciation is the telephone companies largest single operating expense, proper quantification of depreciation expense is crucial, whatever the specific type of regulatory scheme under which telephone rates are set.

C. EACH OF THE COMMISSION'S PROPOSED OPTIONS TO REPLACE THE CURRENT DEPRECIATION SCHEME ARE FATALLY FLAWED BECAUSE VALID, TRULY REFLECTIVE DEPRECIATION RATES CANNOT BE DETERMINED BASED ON AN AVERAGE.

The seminal issue with regard to this inquiry is whether, given the huge impact depreciation expense has on each telephone company, each year, valid, reflective depreciation rates can be determined "on average" as OPTIONS I, II and III suggest^{12/}, in lieu of the individual basis which is currently used to derive them. Based on CCTA's study's results, based on the FCC's own data, the answer is NO.

The reason depreciation rates have always been determined on an individual company basis is that depreciation is a function of variables that are peculiar to a given company. These include factors such as: wear and tear, decay, action of the elements, inadequacy, obsolescence, changes in the art, changes in demand,

^{12/} Option IV is separately discussed because under it, price cap carriers would be permitted to file without any supporting data whatsoever. This Option must also be rejected, as explained infra.

and requirements of public authorities.^{13/} These phenomena vary significantly from company to company, as telephone companies run the gamut as to, for example, location, population served, type equipment maintained, technology employed, and corporate strategies and objectives.

To determine what impact the "averaging" operation of Options I, II and III would have on the derivation of depreciation rates, CCTA's outside consultants utilized data in FCC files for a representative number of RBOC companies selected at random to reflect a cross section of the U.S. Data dispositive of an evaluation of Option I - Basic Factors Range Option is found in Table 2. Data dispositive of an evaluation of Option II - Range of Rates Option is reflected in Table 3.

There is no separate Table data related to Options III and IV. This is because: (1) the general trends from the study results relating to Option I and Option II (as shown in Tables 2 and 3) are incorporated in our critique of Option III, and (2) no data could be simulated for Option IV, as it affords price cap carriers "carte blanche" in filing their desired rates without any supporting data at all.

^{13/} Suelflow Public Utility Accounting: Theory and Application, at 82.

**D. THE BASIC FACTOR RANGE OPTION (OPTION I) IS
FATALLY FLAWED BECAUSE OF THE VERY WIDE
VARIANCE AMONG THE LECs IN DEPRECIATION
PARAMETERS.**

This Option calculates ranges using industry-wide data on the basic factors^{14/} used to compute currently prescribed rates. The Commission explained that the methodology would likely "calculate an average of the industry wide" factors, e.g. projection lives underlying the prescribed rates for an individual account), and then allow a range of one standard deviation below and one standard deviation above the average.

The dispositive question under this FCC Option is whether or not this "averaging" methodology will produce basic factors even reasonably representative of those currently determined to be valid barometers of a plant account's projection life, salvage and survivor curve. All three factors are important and currently evaluated on an individual company basis for each individual plant account. This timely review is necessary and proper because each company's plant is different in, as noted above, factors such as age, usage, exposure to the elements, demand dictates, cost of removal, and salvage value. The clear predicate supporting the current depreciation methodology is that only by determining these factors on a company by company basis

^{14/} The basic factors listed by the Commission included future net salvage (FNS), projection life and survivor curve (the basic factors that determine the average remaining life (ARL)). NPRM at ¶ 9.

can depreciation rates for a given company, which are derived from these factors using the standard depreciation formula, accurately measure the proper amount of capital recovery commensurate with that company's plant consumption.

To replace the current methodology with Option I an analysis of the basic factors presently in place should establish that an average of such factors closely parallels the individual factors which have been identified and quantified via detailed analysis. However, an analysis performed by CCTA's outside consultants, as shown on Table 2, flatly proved the opposite; namely, that there is a very sizeable variance among the LECs studied^{15/} as to plant lives and salvage. With the very wide variances shown in Table 2 it is literally impossible to have "averages" be a surrogate for "actuals" and maintain any integrity in the resulting factors.

Some highlights of the very wide variances found in Table 2 include:

REMAINING LIFE - 1991

1. All 29 accounts were analyzed and 22 (or 76%) of the accounts had variances greater than 50%;
2. The variances ranged from a low of 22.29% to a high of 600%;

^{15/}The sample included seven LECs serving a representative cross section of the country. The companies selected by region, at random, include Chesapeake and Potomac of Maryland, New York Telephone, Northwestern Bell of Iowa, Pacific, Southern Bell of Florida, South Central Bell of Alabama, and Southwestern Bell of Missouri.

3. Of the 29 accounts, 13 (or 45%) had variances greater than 100%; and 7 (or 24%) had variances greater than 200%;
4. The most significant variances by major account were noted as follows:

Electro-Mech-Step-by-Step	*	600%
Submarine Cable	*	429%
Special Purpose Vehicles	*	400%
Aerial Wire	*	361%
Radio Systems	*	337%
Electro Mech-Crossbar	*	320%
Poles	*	271%
Motor Vehicles	*	188%

NET SALVAGE - 1991

1. Of the 20 accounts for which percentage deviations were computed, 17 (or 85%) of the accounts had variances greater than 50%;
2. The variances ranged from a low of 30% to a high of 2,450%;
3. Of the 20 accounts, 9 (or 45%) had variances greater than 100%; and 9 (or 45%) had variances greater than 200%.
4. The most significant variances by major account were noted as follows:

Special Purpose Vehicles	*	2,450%
Public Telephone Equipment	*	1,900%
Office Support Equipment	*	1,200%
General Purpose Computers	*	1,000%
Digital Electronic Switching	*	900%
Circuit Equipment-Digital	*	600%
Other Work Equipment	*	400%
Furniture	*	350%
Motor Vehicles	*	250%

The findings in Table 2 support rejection of Option I because it would produce depreciation rates that would not have any reasonable relationship to current rates that have been found

to fairly, reasonably, and accurately provide for the recovery of invested capital.

E. THE RANGE OF RATES OPTION (OPTION II) IS FATALLY FLAWED BECAUSE OF THE VERY WIDE VARIANCE BETWEEN THE LECs IN DEPRECIATION RATES.

This Option uses industry-wide rate data to form the initial basis for determining the rate ranges. A statistical analysis of currently prescribed rates would be used as the basis for determination of the range.^{16/}

This Option is not workable if wide fluctuations among current rates exist. This conclusion is valid because it will be virtually impossible to properly allocate costs using an average if extremes exist in the universe from which the average is extracted. Table 3, pages 1-4, sets out by account the depreciation rates currently applicable for the same seven LECs serving a representative cross section of the country studied in Table II.

The undisputable findings shown in Table 3 demonstrate a massive variance in current rates for any given account and

^{16/} The Commission further explained: "For example, we might review the industry-wide data on Motor Vehicles, Account 2112. In establishing the range for the projection life for Motor Vehicles, we might average the prescribed rates for that account and then allow a range of one standard deviation below the average to one standard deviation above the average." NPRM at ¶ 14.

strongly argue against the adoption of Option II. A representative sample of the high variances found in the accounts between the highest and lowest depreciation rate for that account for the companies studied by year are:

1988

1. All 27 accounts were analyzed and 18 (or 67%) of the accounts had variances greater than 50%;
2. The variances ranged from a low of 14.52% to a high of 885.48%;
3. Of the 27 accounts, 10 (or 37%) had variances greater than 100%; and 5 (or 19%) had variances greater than 200%.
4. The most significant variances by major account were noted as follows:

Operator Systems-Other	*	885.48%
Poles	*	470.88%
Electro-Mechanical Switching- Crossbar	*	392.74%
Radio Systems	*	379.66%
Electro-Mech-Step-by-Step	*	365.28%
Office Support Equipment	*	161.02%

1989

1. All 29 accounts were analyzed and 23 (or 79%) of the accounts had variances greater than 50%;
2. The variances ranged from a low of 22.5% to a high of 664.71%;
3. Of the 29 accounts, 14 (or 48%) had variances greater than 100%; and 7 (or 24%) had variances greater than 200%;
4. The most significant variances by major account were noted as follows:

Operator Systems	*	664.71%
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Electro-Mech-Step-by-Step	*	590.77%
Poles	*	498.39%
Electro Mech-Crossbar	*	392.74%
Aerial Wire	*	284.00%
Company Communications	*	260.77%
Public Telephone Equipment	*	213.19%
Office Support Equip	*	191.36%

1990

1. All 29 accounts were analyzed and 18 of 29 (or 62%) of the accounts had variances greater than 50%;
2. The variances ranged from a low of 9.88% to a high of 668%;
3. Of the 29 accounts, 11 (or 38%) had variances greater than 100%; and 6 (or 21%) had variances greater than 200%;
4. The most significant variances by major account were noted as follows:

Aerial Wire	*	668.00%
Electro Mech-Step by Step	*	576.19%
Operator Systems	*	520.00%
Other Terminal Equip	*	336.84%
Electro Mech-Crossbar	*	223.38%
Public Tel Equip	*	205.26%
Company Communications	*	197.73%
Garage Work Equipment	*	192.68%

1991

1. All 28 accounts were analyzed and 19 (68%) of the accounts had variances greater than 50%;
2. The variances ranged from a low of 10.39% to a high of 628.57%;
3. Of the 28 accounts, 11 (or 39%) had variances greater than 100%; and, 5 (or 18%) had variances greater than 200%.
4. The most significant variances by major account were noted as follows:

Electro-Mech-Step-by-Step	*	628.57%
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